

**ACADIANA LEGAL SERVICE CORPORATION  
1020 SURREY ST.  
LAFAYETTE, LA 70501**

**TO THE BOARD OF DIRECTORS**

**INDEPENDENT AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2012**

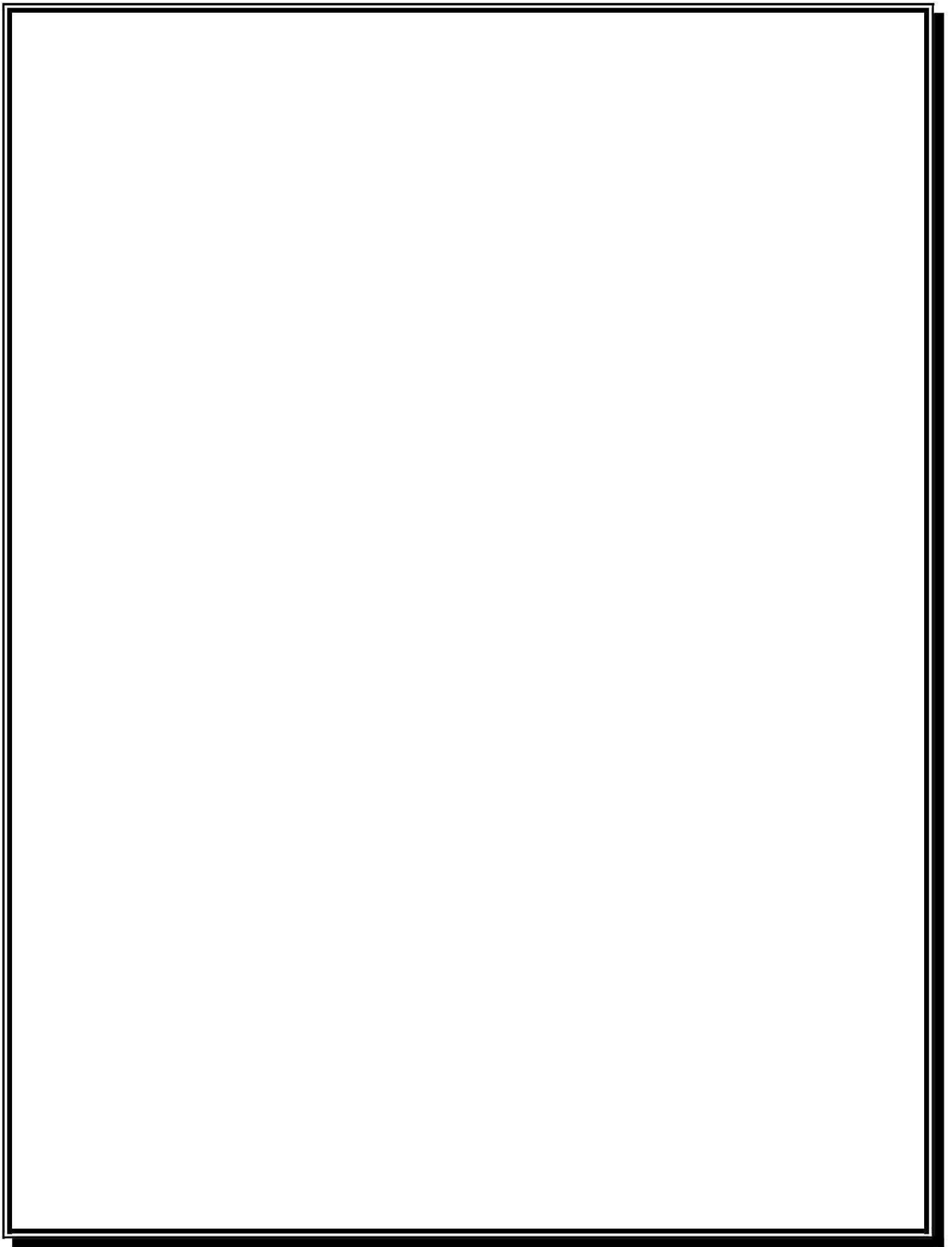
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**ACADIANA LEGAL SERVICE CORPORATION**  
**1020 SURREY ST.**  
**LAFAYETTE, LA 70501**

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**BOBBIE L. HOWARD, CPA**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors  
Acadiana Legal Service Corporation  
1020 Surrey Street  
Lafayette, La 70501**

**Report on the Financial Statements**

I have audited the accompanying financial statements of Acadiana Legal Service Corporation "a nonprofit organization" which comprise the statement of financial position as of December 31, 2012 and 2011, the related statements of activities, functional expenses, and cash flows for the year then ended, and related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, in making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the over presentation of the financial statements.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Acadiana Legal Service Corporation as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Other Information**

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated April 4, 2013, on my consideration of Acadiana Legal Service Corporation internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Acadian Legal Service Corporation's internal control over financial reporting and compliance.

**Bobbie L Howard**  
**Certified Public Accountant**

**Houma, La**  
**April 4, 2013**

**ACADIANA LEGAL SERVICE CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011**

<b><u>ASSETS</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Current Assets</u></b>		
Cash And Cash Equivalents (Note B- Page 12 )	\$ 66,313	\$ 172,021
Investments ( Note A- Page 10 No. 6 )	82,920	82,712
Grants Receivables (Note C- Page 12 )	162,038	48,439
Other Current Assets	15,788	38,259
Prepaid	<u>46,687</u>	<u>65,123</u>
<b>Total Current Assets</b>	<b>\$ 373,746</b>	<b>\$ 406,554</b>
<b><u>Restricted Assets</u></b>		
Client Trust Account ( Note A- Page 10 No. 5 )	32,339	28,040
<b><u>Noncurrent Assets</u></b>		
Utility & Building Deposits	1,190	1,190
<b>Fixed Assets, net (Note D - Page 12 &amp; 13 )</b>	<b>631,601</b>	<b>648,146</b>
<b>Total Assets</b>	<b><u>\$ 1,038,876</u></b>	<b><u>\$ 1,083,930</u></b>

**See auditor's report and notes to financial statements.**

**LIABILITIES AND NET ASSETS**

	<b><u>2012</u></b>	<b><u>2011</u></b>
<b><u>Current Liabilities</u></b>		
Accounts Payable	\$ 36,207	\$ 33,693
Accrued Liabilities ( Note E- Page 13 )	233,000	227,213
Lease Obligation(Note I-Page 16)	962	1,589
Current Portion of Long Term Debt (Note H- Page 15 )	12,070	11,298
Deferred Revenue ( Note A- Page 11 No. 11)	<u>-0-</u>	<u>13,271</u>
<b>Total Current Liabilities</b>	<b>\$ 282,239</b>	<b>\$ 287,064</b>
<b><u>Current Liabilities (Restricted)</u></b>		
Client Trust Deposits (Note A- Page 10 No. 5)	32,339	28,040
<b>Total Current Liabilities</b>	<b>314,578</b>	<b>315,104</b>
<b><u>Long Term Liabilities</u></b>		
Lease Obligation-net of current portion	-0-	844
Notes Payable-net of current portion (Note H- Page 15)	228,772	240,842
<b>Total Liabilities</b>	<b>\$ 543,350</b>	<b>\$ 556,790</b>
<b><u>Net Assets</u></b>		
Unrestricted	495,526	527,140
<b>Total Net Assets</b>	<b><u>495,526</u></b>	<b><u>527,140</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$ <u>1,038,876</u></b>	<b>\$ <u>1,083,930</u></b>

See auditor's report and notes to financial statements.



<b>ACADIANA LEGAL SERVICE CORPORATION</b>		
<b>STATEMENT OF ACTIVITIES</b>		
<b>FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011</b>		

[illegible]

**ACADIANA LEGAL SERVICE CORPORATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Legal Services</u>	<u>Supportive Services Administrative</u>	<u>Total Expenses</u>
<b>Salaries and Wages:</b>			
Lawyers	\$ 800,470	\$ 200,117	\$ 1,000,587
Non- Lawyers	\$ 757,254	\$ 189,314	\$ 946,568
Employee Benefits	\$ 383,160	\$ 95,790	\$ 478,950
Space Cost And Renovation	\$ 91,708	\$ 22,927	\$ 114,635
Equipment Rentals and Maintenance	\$ 17,483	\$ 4,371	\$ 21,854
Office Supplies and Expenses	\$ 41,633	\$ 10,408	\$ 52,041
Travel & Training	\$ 77,971	\$ 19,493	\$ 97,464
Depreciation	\$ 17,845	\$ 4,461	\$ 22,306
Library and Other Supplies	\$ 43,850	\$ 10,962	\$ 54,812
Telephone	\$ 48,250	\$ 12,063	\$ 60,313
Insurance	\$ 31,416	\$ 7,854	\$ 39,270
Contractual Services	\$ 114,561	\$ 28,640	\$ 143,201
Membership Fees	\$ 15,517	\$ 3,879	\$ 19,396
Litigation Costs	4,084	-	\$ 4,084
Sub-grants	95,527	-	\$ 95,527
Interest	-	15,482	\$ 15,482
Miscellaneous	\$ 1,583	\$ 396	\$ 1,979
<b>Total Expenses</b>	<b>\$ 2,542,312</b>	<b>\$ 626,157</b>	<b>\$ 3,168,469</b>

See auditor's report and notes to the financial statements.

<b>ACADIANA LEGAL SERVICE CORPORATION</b> <b>STATEMENT OF FUNCTIONAL EXPENSES</b> <b>FOR THE YEAR ENDED DECEMBER 31, 2011</b>				
			<b>Supportive</b>	
	<b>Legal</b>		<b>Services</b>	<b>Total</b>
	<b><u>Services</u></b>		<b><u>Administrative</u></b>	<b><u>Expenses</u></b>
<b>Salaries and Wages:</b>				
Lawyers	\$ 957,560		\$ 239,390	\$ 1,196,950
Non- Lawyers	840,114		210,029	\$ 1,050,143
Employee Benefits	411,439		102,860	\$ 514,299
Space Cost And Renovation	106,387		26,597	\$ 132,984
Equipment Rentals and Maintenance	17,844		4,461	\$ 22,305
Office Supplies and Expenses	50,876		12,718	\$ 63,594
Travel & Training	81,223		20,306	\$ 101,529
Depreciation	22,014		5,504	\$ 27,518
Library and Other Supplies	48,242		12,060	\$ 60,302
Telephone	50,665		12,666	\$ 63,331
Insurance	35,473		8,867	\$ 44,340
Contractual Services	37,017		9,254	\$ 46,271
Membership Fees	14,265		3,566	\$ 17,831
Litigation Costs	6,391		-	\$ 6,391
Sub-grants	114,641		-	\$ 114,641
Interest	-		15,445	\$ 15,445
Miscellaneous	1,787		447	\$ 2,234
<b>Total Expenses</b>	<b>\$ 2,795,938</b>		<b>\$ 684,170</b>	<b>\$ 3,480,108</b>

See auditor's report and notes to the financial statements.

<b>ACADIANA LEGAL SERVICE CORPORATION</b>		
<b>STATEMENT OF CASH FLOW</b>		
<b>FOR THE YEAR ENDED DECEMBER 31, 2012 and 2011</b>		
	<b>2012</b>	<b>2011</b>
<b>Cash Flows from Operating Activities:</b>		
Increase (decrease) in net assets	\$ (31,614)	\$ (76,500)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	22,306	27,518
<b>(Increase) decrease in operating assets:</b>		
Investments	(208)	(272)
Grants Receivables	(113,599)	7,477
Other Receivables	22,471	(2,127)
Prepays	18,436	(8,747)
Building and Utilities Deposits	-	-
Client Trust	(4,299)	(591)
<b>Increase (decrease) in operating liabilities:</b>		
Accounts payable	2,514	7,867
Accrued Liabilities	5,787	7,027
Deferred Revenue	(13,271)	13,271
Client Trust	4,299	591
Capital Lease	-	-
<b>Total Adjustments</b>	<b>(55,564)</b>	<b>52,014</b>
<b>Net Cash Provided by Operating Activities:</b>	<b>(87,178)</b>	<b>(24,486)</b>
<b>Cash Flows from Investment Activities</b>		
Purchase of Fixed Assets	(5,761)	(3,975)
Purchase of Building/Major improvements	-	(58,451)
<b>Net Cash Provided by Investing Activities</b>	<b>(5,761)</b>	<b>(62,426)</b>
<b>Cash Flows from Financing Activities</b>		
Loan proceeds	-	18,691
Payment on loan	(12,769)	(9,470)
Funds due from sub grantee	-	-
Prior period adjustments	-	18,295
<b>Net Cash Provided by Financing Activities</b>	<b>(12,769)</b>	<b>27,516</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(105,708)</b>	<b>(59,396)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>172,021</b>	<b>231,417</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 66,313</b>	<b>\$ 172,021</b>
<b>Supplemental Disclosure of Cash Flow</b>		
<b>Cash Paid During the Period for Interest</b>	<b>\$ 15,482</b>	<b>\$ 15,445</b>
<b>See auditor's report and notes to financial statements.</b>		

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. Organization**

Acadiana Legal Service Corporation is a non-profit organization created in 1978 to provide legal assistance in non-criminal proceedings or matters to persons unable to afford such counsel. The Corporation is funded primarily by Legal Services Corporation ("LSC"), a nonprofit corporation established by Congress to administer a nationwide legal assistance program. The financial statements of the Corporation have been prepared in conformity with accounting principles generally accepted in the United States of America and the requirements of LSC.

**2. Presentation of Financial Statement**

The accompanying financial statements of Acadiana Legal Service Corporation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

**3. Basis of Reporting**

Financial statements presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organization. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**4. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Corporation considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents

## **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(continued)

### **5. Client Trust Escrow Funds**

Funds received from clients are deposited into a separate cash account and restricted for the payment of expenses in connection with related litigation.

### **6. Investments**

Investments are stated at cost or amortized cost, which approximates markets. As of December 31, 2012 the Corporation's investments consist solely of certificates of deposit.

### **7. Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingents and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

### **8. Functional Allocation of Expenses**

The costs for providing for various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain cost have been allocated among the programs and supporting services benefited.

### **9. Income Tax Status**

The Corporation is exempt from federal tax under Section 501(c) (3) of the Internal Revenue Code. In addition, the Corporation has been classified as an organization that is not a private foundation under Section 509(a) (2).

### **10. Fixed Assets**

Fixed assets are recorded at cost, when purchased, or if donated, at the estimated fair value on the date of donation. Depreciation is provided over estimated useful lives of the respective assets using the straight-line method.



## **NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(continued)**

### **11. Deferred Revenue**

Deferred revenue is recognized for grants, awards, or other income received which are not considered to be earned at balance sheet date.

### **12. Support**

The Corporation recognizes grant funds from LSC as support on the straight-line basis over the grant period. In accordance with LSC regulations, the Corporation may retain unexpended grant funds for use in future periods provided such funds are not in excess of 10% of the recipient's annualized funding and expenses incurred are in compliance with the specified terms of the grant agreement. For the year ending December 31, 2012 Acadiana Legal Service Corporation fund balance did not exceed 10% of its annualized support.

### **13. Contributions**

Donated services are recognized as contributions in accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." Contributions of donated services that create or enhance non-financial assets or whose specialized skills are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation are recorded at their fair values in the period.

### **14. Private Attorney Involvement (PAI)**

LSC requires that an amount equal to 12.5% of the basic field award of recipients be devoted to the involvement of private attorneys in the delivery of assistance to eligible clients. Expenses incurred in PAI included all expenses directly related to private attorney involvement as well as allocation of indirect (overhead) expenses. In general, indirect (overhead) expenses are allocated based on the ratio of direct PAI salary cost in relation to total salary costs of all attorneys, paralegals, and support staff.

## NOTE B – CASH IN BANK

The Corporation maintains accounts at several banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000.

## NOTE C – GRANTS AND CONTRACT RECEIVABLES

Grants receivable for Acadiana Legal Service Corporation consists of the following:

Louisiana Bar Foundation-Capital Develop. Grant	\$ 25,000
Louisiana Bar Foundation-IOLTA	70,335
Cajun Area Agency on Aging, Inc.	1,820
Cenla Area Agency on Aging, Inc.	1,791
Vernon Parish Council on Aging, Inc	12,094
Southeast Louisiana Legal Service-Road Home	21,907
Lafayette Parish Clerk of Court	2,000
Rapides Parish Clerk of Court	888
Beauregard Council on Aging	1,709
Allen Council on Aging	2,500
Pineville City Court	98
City Court of Lafayette	356
Legal Service Corp. (TIG)	20,006
Jefferson Davis Council on Aging	1,043
Alexandria City Court	491
<b>Total Grants and Contract Receivables</b>	<b>\$162,038</b> =====

## NOTE D – FIXED ASSETS

Fixed assets consisted of the following at December 31, 2012

	<u>12/31/12</u>	<u>12/31/11</u>
Building and Improvements	\$ 1,261,814	\$ 1,261,814
Furniture and Equipment	1,584,114	1,578,353
Library	271,605	271,605
Land	<u>231,165</u>	<u>231,165</u>
<b>Total Fixed Assets</b>	<b>\$ 3,348,698</b>	<b>\$ 3,342,937</b>
Accumulated depreciation	(2,717,097)	(2,694,791)
<b>Net Fixed Assets</b>	<b>\$ 631,601</b>	<b>\$ 648,146</b>



#### **NOTE D – FIXED ASSETS (continued)**

In 2009 the Corporation purchased a building in Alexandria, La. for \$176,225 (Cost and Improvements). Major improvements for the years ended December 31, 2011 and 2010 total \$27,361 and \$184,794 respectively. Major renovation of \$31,089 was made to the Library at the Lafayette location in 2011.

Depreciation expense for the years ended December 31, 2012 and 2011 total \$22,306 and \$27,518 respectively.

#### **NOTE E – ACCRUED LIABILITIES**

Included in accrued liabilities is annual leave, which vests with the employee and is payable upon termination, totaling \$157,872 and \$153,886 at December 31, 2012 and 2011, respectively. Maximum annual leave amounts, which can be carried over to subsequent years, are 225 hours per employee for employees with more than three years of service and 150 hours per employee for employees with less than three years of service. Also included in accrued liabilities is accrued wages, salaries and miscellaneous items.

#### **NOTE F – SUMMARY OF FUNDING**

##### **Legal Services Corporation:**

Basic Field-General Grant	01/01/12-12/31/12	\$1,890,736
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##### **Legal Services Corporation:**

TIG -Grant	12/01/11-12/31/12	33,276
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##### **Louisiana Bar Foundation:**

IOLTA Grant	01/01/12-12/31/12	296,670
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##### **Cajun Area Agency on Aging, Inc:**

Title III-B & E 2010-2011 Grant	07/01/11-6/30/12	15,187
Title III-B & E 2011-2012 Grant	07/01/12-6/30/13	<u>15,187</u>
		<b>30,374</b>

##### **Cenla Area Agency on Aging, Inc:**

Title III-B & E 2010-2011 Grant	07/01/11-6/30/12	10,744
Title III-B & E 2011-2012 Grant	07/01/12-6/30/13	<u>10,744</u>
		<b>21,488</b>

Louisiana Bar Foundation- Children in Need of Care		717,500
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**NOTE F – SUMMARY OF FUNDING (continued)**

15 <sup>th</sup> JDC and Lafayette City Court –Filing	35,564
State Department-OEA	22,875
Louisiana Bar Foundation –NITA Training & Capital Projects	48,537
Beauregard Council on Aging	3,418
9 <sup>th</sup> JDC, Pineville and Alexandria City Court- Filing Fees	20,043
Other Miscellaneous	<u>13,712</u>

**Total grants, contracts and miscellaneous support** **\$3,134,193**

**NOTE G-- LEASE OF FACILITIES**

The Corporation leases two facilities to serve as branch offices. For the years ended December 31, 2012 and 2011, the Corporation expended \$41,496 and \$47,722, respectively, on lease payments.

As of December 31, 2012, the Corporation was leasing office space in Lake Charles, La. The terms of that lease expired on December 14, 2012. A new lease was negotiated effective December 15, 2012 and will expire on December 14, 2013, with an option to extend. Rental payments are \$2,956 a month.

As of December 31, 2012 the Corporation is leasing space for The Louisiana Disability Law Center in Lake Charles, La. A new lease was signed effective March 1, 2011 and ends on February 28, 2014. Rental payments are \$650 a month.

#### **NOTE G—LEASE OF FACILITIES (continued)**

Total minimum rental payments expected under these leases at the Lake Charles offices are as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 43,272

#### **NOTE H—NOTES PAYABLE**

The Corporation has an obligation to First Federal Bank of Louisiana with an interest rate of 6.25% for five years, with a 15 year amortization, for the purchase an office building in Alexandria, La. for \$150,000 with \$50,000 down payment and \$100,000 financed. In 2011 and 2010 the Corporation activated its non-revolving line of credit for renovations in the amount of \$18,691 and \$148,899.00 respectively. The loan is payable in monthly installments, in the amount of \$2,232 including interest, and is collateralized by both offices in Alexandria and Lafayette, Louisiana.

Loan maturities for each of the five years following December 31, 2012, are as follows:

<u>Year</u>	<u>Amount</u>
2013	12,070
2014	12,850
2015	13,672
2016	14,022
2017	<u>188,228</u>
	<u><b>\$240,842</b></u>

#### **NOTE I – LEASE ARRANGEMENTS**

The Corporation leased a Copier under a non cancelable lease that is classified as a capital lease that expires in 2013. The lease agreement contains a bargain purchase option at the end of the lease term.

The Copier under capital lease equals \$962 at December 31, 2012.

Future minimum lease payments under capital leases are as follows:

Year Ending  
December 31

2013	\$ 962
Total minimum lease payments	\$ 962

#### **NOTE J – GRANTS TO OTHER AGENCIES**

During the year, the Corporation granted \$21,018 of LSC funds to the Lafayette Volunteer Lawyer Project, \$11,884 to Central Louisiana Pro Bono Project, and \$13,624 to Southwest Bar Foundation. All sub-grantees are pro bono programs, which use the funds to provide civil legal services to low-income persons eligible for representation by the Corporation. As of December 31, 2012, all sub-grantees have expended all these funds.

#### **NOTE K — RETIREMENT PLAN**

The Corporation established a 403(b) retirement plan (the “Plan”) for those employees who meet the eligibility requirement set forth in the Plan. The amount of contribution to the Plan is at the discretion of the Board of Directors. The Corporation contributed \$16,793 to the Plan for the year ended December 31, 2012.

#### **NOTE L — CONCENTRATIONS**

The Corporation receives a significant portion of its total support from granting agencies. In particular, LSC accounted for 60% of the total support of the Corporation for the year ended December 31, 2012.

#### **NOTE M— FEDERAL AND STATE GRANTS**

The Corporation participates in a number of federal and state grant programs that are fully or partially funded by grants received from other governmental entities. The grant programs are subject to audits by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. It is possible that in the event of non-compliance with conditions of grants received, that the Corporation would have to refund to the granting agency those expenditures not deemed to be in compliance. However, management has no knowledge of any liability for refunds to any granting agencies as of December 31, 2012 and through the date of this report.

#### **NOTE N— LAWSUITS AND LITIGATIONS**

Acadiana Legal Service Corporation is involved in a pending lawsuit against Republic Underwriters Insurance Company. The litigation involves the Air Conditioning Units located at the Alexandria, Louisiana office that were vandalized and damaged beyond repair.

<b>SCHEDULE OF GRANT AWARD AND EXPENDITURES</b>								
<b>LEGAL SERVICES CORPORATION -- BASIC FIELD -- GENERAL</b>								
<b>YEAR ENDED DECEMBER 31, 2012</b>								
<b>Revenue and Support:</b>								
Grant Award							\$	1,890,736
Interest and Miscellaneous								1,863
<b>Total Revenue and Support</b>							\$	<b>1,892,599</b>
<b>Non- Capital Expenditures:</b>								
Salaries and Wages								
Lawyers							\$	443,217
Non- Lawyers								719,174
Employee Benefits								369,408
Space Cost and Renovations								96,885
Equipment Rentals and Maintenance								19,887
Office Supplies and Expenses								37,325
Travel & Training								43,478
Library and Other Supplies								43,735
Telephone								41,448
Insurance								28,457
Contractual Services								45,609
Membership Fees								5,260
Sub grants								46,526
Interest								1,779
Miscellaneous								532
<b>Total Non- Capital Expenditures</b>							\$	<b>1,942,720</b>
<b>Revenue and Support Net of Expenses</b>							\$	<b>-50,121</b>
<b>Net Assets, Beginning</b>							\$	<b>167,076</b>
Capital Expenditures							\$	2,746
<b>Net Assets, Ending</b>							\$	<b>114,209</b>

	<b>ACADIANA LEGAL SERVICE CORPORATION</b>					
	<b>SCHEDULE OF GRANT AWARD AND EXPENDITURES</b>					
	<b>LOUISIANA BAR FOUNDATION-IOLTA GRANT</b>					
	<b>YEAR ENDED DECEMBER 31, 2012</b>					
<b>Grant :</b>						
Grant Award				\$		<u>296,670</u>
<b>Expenditures:</b>						
Salaries and Wages						
Lawyers						220,000
Non- Lawyers						37,834
Employee Benefits						20,414
Office Supplies and Expenses						690
Travel & Training						583
Audit Expense						590
Membership Fees						11,404
Litigation Costs						3,718
Access to Justice						-
Telephone						1,437
<b>Total Expenditures</b>				\$		<u><b>296,670</b></u>
<b>Revenue and Support Net of Expenditures</b>						<u>-</u>
<b>Grant Award, Net of Expenditures</b>						<u><b>-</b></u>

ACADIANA LEGAL SERVICE CORPORATION						
SCHEDULE OF PRIVATE ATTORNEY INVOLVEMENT EXPENSES						
YEAR ENDED DECEMBER 31, 2012						
<b>Private Attorney Involvement Expenses :</b>						
<b>Salaries and Wages:</b>						
Lawyers				\$		99,351
Non- Lawyers						44,767
Employee Benefits						46,179
Space Cost and Renovations						12,111
Equipment Rentals and Maintenance						2,486
Office Supplies and Expenses						4,666
Travel & Training						15,759
Library and Other Supplies						5,467
Telephone						5,181
Insurance						3,557
Contractual Services						95,431
Membership Fees						658
Sub grants						95,527
Access to Justice						0
Audit						1,934
Equipment						343
Miscellaneous						67
<b>Total Private Attorney Involvement Expenses</b>						<b>\$ 433,484.00</b>
<b>Compliance Requirement Percentage</b>						<b>12.50%</b>
<b>Actual Percentage of Legal Services Corporation</b>						<b>22.93%</b>



**ACADIANA LEGAL SERVICE CORPORATION  
SCHEDULE OF EXPENDITURES OF FINANCIAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

Federal Grant/ Pass-Thru Grantor/ Program Title	Federal CFDA Number	Agency Pass Thru	Federal Expenditures
Legal Services Corporation Basis Field-General Grant	09-619051		\$1,890,736

The schedule of expenditures of federal awards is presented on the accrual basis of accounting

**BOBBIE L. HOWARD, CPA**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.**

**To the Board of Directors  
Acadiana Legal Service Corporation  
1020 Surrey Street  
Lafayette, La 70501**

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Acadiana Legal Service Corporation ( nonprofit organization), which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated April 4, 2013.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Acadiana Legal Service Corporation internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing my opinion on the effectiveness of Acadiana Legal Service Corporation internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that material misstatements of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit we did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Acadiana Legal Service Corporation's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Audit Committee, Board of Directors, management, Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be used by anyone other than those specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**Bobbie L. Howard**  
**Certified Public Accountant**  
**Houma, LA**  
**April 4, 2013**

**BOBBIE L. HOWARD, CPA**

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A  
DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133**

**To the Board of Directors  
Acadiana Legal Service Corporation  
1020 Surrey Street  
Lafayette, La 70501**

**Compliance**

I have audited the compliance of Acadiana Legal Service Corporation (a nonprofit organization) with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Acadiana Legal Service major programs for the year ended December 31, 2012. Acadiana Legal Service Corporation's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each its major federal programs, is the responsibility of Acadiana Legal Service Corporation's management. My responsibility is to express an opinion on Acadiana Legal Service Corporation's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, OMB Circular A-133, "Audits of States, Local Governments and Non Profit Organizations". Those standards and *OMB Circular A-133* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about Acadiana Legal Service Corporation's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on Acadiana Legal Service Corporation's compliance with those requirements.

In my opinion, the Acadiana Legal Service Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

### **Internal Control over Compliance**

Management of Acadiana Legal Service Corporation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Acadiana Legal Service Corporation's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Acadiana Legal Service Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended for the information and use of the Audit Committee, Board of Directors, management, Louisiana Legislative Auditor, federal awarding agencies, and pass-through agencies and is not intended to be, and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

**Bobbie L. Howard**  
**Certified Public Accountant**  
**Houma, LA**  
**April 4, 2013**

**ACADIANA LEGAL SERVICE CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
SUMMARY OF THE INDEPENDENT AUDITOR'S RESULTS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. The auditor's report expresses an unqualified opinion on the financial statements of Acadiana Legal Service Corporation.
2. No instances disclosed during the audit of the financial statements are reported in the Schedule of Finding and Questioned Cost.
3. No instances of noncompliance material to the financial statements of Acadiana Legal Service Corporation which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No instances in internal control over major federal award programs disclosed during the audit are reported in the Schedule of Findings and Questioned Cost.
5. The auditor's report on compliance for the major federal award programs for Acadiana Legal Service Corporation expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510 (a) of OMB Circular A-133 are reported in this Schedule.
7. The program tested as a major program.

**Pass Thru Number**

N/A

**Name of Federal Program**

Legal Services Corporation-Basic Field

8. The dollar threshold used to distinguish between Type A and Type B Programs.

**Program**

Type A

**Amount**

\$ 300,000

9. Acadiana Legal Service Corporation does not qualify as a low risk auditee, under *OMB Circular A-133, Section 530*.

**ACADIANA LEGAL SERVICE CORPORATION  
SCHEDULE OF FINDING AND QUESTIONED COST  
YEAR ENDED DECEMBER 31, 2012**

**None:**



**ACADIANA LEGAL SERVICE CORPORATION  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED  
DECEMBER 31, 2012**

**None:**